

SETTLEMENT AGREEMENT

Parties

This Agreement is entered by and between the United States of America, acting through the United States Department of Justice, and Cynthia Santore-Smith ("the Relator"). As a preamble to this Agreement, the United States and the Relator state:

Preamble

WHEREAS, a complaint has been filed by the Relator, on behalf of the United States, in the U.S. District Court for the Eastern District of Pennsylvania, pursuant to 31 U.S.C. § 3730, Civil Action No. 99 CV 6605 ("the Complaint");

WHEREAS, the United States, the Relator, and one of the defendants named in the Complaint, Market Street Mortgage Corporation, entered into a Settlement Agreement in or about [date] ("Market Street Mortgage Settlement Agreement") resolving, among other matters, some of the allegations in the Complaint against Market Street Mortgage Corporation and Republic Bancorp, Inc.;

WHEREAS, under the terms of the Market Street Mortgage Settlement Agreement, Market Street Mortgage Corporation has agreed to pay the United States seven hundred thousand dollars (\$700,000.00) and, under certain conditions, indemnify the United States against losses arising from specified federally insured mortgages and;

WHEREAS, the United States and the Relator mutually desire to make a full, complete, and final settlement of Relator's share of the Market Street Mortgage Settlement proceeds and indemnifications pursuant to 31 U.S.C. § 3730(c)(5), (d)(1).

ACCORDINGLY, in reliance upon the representations contained herein and in consideration of the mutual promises, covenants and obligations in this Agreement and the resolution of the claims set forth below, and for good and valuable consideration, receipt of which is by each acknowledged, the United States and the Relator agree as follows:

Terms and Conditions

1. The Market Street Mortgage Settlement Agreement is incorporated by reference and made a part of this Settlement Agreement as if it were fully set forth herein.

2. The United States agrees that Relator shall be awarded three hundred thousand dollars (\$300,000), which represents the Relator's share of the seven hundred thousand dollar (\$700,000) payment and the value of the indemnification provisions agreed upon by Market Street Mortgage Corporation and the United States. The United States will make this payment within a reasonable time after the United States' receipt of the seven hundred thousand dollar (\$700,000) from Market Street Mortgage Corporation. The obligation to make this payment to the Relator is expressly conditioned on the receipt by the United States of the payment by Market Street Mortgage Corporation under the Market Street Mortgage Settlement Agreement. Should Market Street Mortgage Corporation fail to make any payment required by that Agreement, the United States shall have no obligation to make a payment to the Relator.

3. Relator agrees that this settlement is fair, adequate, and reasonable under all circumstances, and will not challenge the Settlement Agreement pursuant to 31 U.S.C. § 3730(c)(2)(B), and expressly waives the opportunity for a hearing on any such objection, pursuant to 31 U.S.C. § 3730(c)(2)(B).

4. On receipt of this three hundred thousand dollar (\$300,000) payment, Relator, for herself, her heirs, successors, and assigns, will release and will be deemed to have released and forever discharged the United States from any claims pursuant to 31 U.S.C. § 3730(d)(1) for a share of the proceeds of the Market Street Mortgage Settlement Agreement. The Relator hereby releases any and all claims, of whatever kind, against the United States arising out of or relating to the allegations asserted in Civil Action No. 99 CV 6605 filed in the U.S. District Court for the Eastern District of Pennsylvania against Market Street Mortgage Corporation and/or Republic Bancorp, Inc.

5. Specifically excluded and reserved from those claims and causes of action released under Paragraph 3 above (and under Paragraph 2.1 of the Market Street Mortgage Settlement) is

any dispute, claim, or defense which may arise between the Relator and Market Street Mortgage Corporation regarding attorneys fees or claims of the Relator under 31 U.S.C. § 3730(d)(1), or any dispute, claim, or defense which may arise between the Relator and Market Street Mortgage Corporation regarding allegations of discrimination against the Relator under 31 U.S.C. § 3730(h) (said allegations contained in Count IV of the Complaint).

6. The United States and the Relator agree that, if the Settlement Agreement between the United States and Market Street Mortgage Corporation is held by a court not to be "fair, adequate, and reasonable," as required under 31 U.S.C. § 3730(c)(2)(B), or if the Complaint as against Market Street Mortgage Corporation and Republic Bancorp, Inc. is not dismissed with prejudice, this Settlement Agreement is null and void.

7. This Agreement, together with all of the obligations and terms hereof, shall inure to the benefit of and shall bind assigns, successors-in-interest, or transferees of the United States and the Relator.

8. Each of the signatories to this Agreement represents that he or she has the full power and authority to enter into this Agreement.

9. This writing constitutes the entire agreement of the United States and the Relator with respect to the subject matter of this Agreement and may not be modified, amended or terminated except by a written agreement signed by the United States and Relator specifically referring to this Agreement.

10. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same agreement.

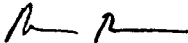
11. This Agreement is effective on the date of signature of the last signatory to the Agreement.

12. All parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.


In Witness Whereof, the parties, through their duly authorized representatives, hereunder set their hands.

ON BEHALF OF THE UNITED STATES OF AMERICA

PATRICK L. MEEHAN
United States Attorney



Michael S. Blume
Assistant U.S. Attorney
United States Attorney's Office for the
Eastern District of Pennsylvania



James G. Sheehan
Associate U.S. Attorney
United States Attorney's
Office for the Eastern
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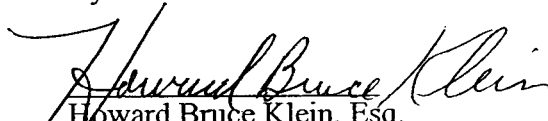
ON BEHALF OF THE RELATOR

Dated: 1/1/04



Cynthia Santore-Smith

Dated: 7/12/04



Howard Bruce Klein, Esq.
Counsel for Cynthia Santore-Smith